

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 99-166

MAY 11, 1999

BREWER WATER DISTRICT  
Request for Approval of Water Main  
Extension Agreement with the Town of  
Holden and Extension of Service Area

ORDER

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WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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SUMMARY

We approve the Brewer Water District (District) request to extend water service into the Town of Holden (Town) as shown on Exhibit A attached to this Order. We also approve the Main Extension and Water Supply Agreement (Agreement) between the District and the Town.

BACKGROUND

On March 15, 1999, the District filed with the Commission a request for approval of its Agreement with the Town for main extension and water supply. On April 1, 1999, the District filed a revised map of the proposed service area. That map is attached to the Agreement as Exhibit A. Customers within the new service area will be charged the District's filed rates.

Under the Agreement the Town will extend the District's water main approximately 12,000 feet, starting at the end of the existing water main in eastern Avenue which is 2100 feet southeasterly from the intersection of Eastern Avenue and Lambert Road in Brewer, to serve property proximate to or along Route 1A in Holden. The cost of construction will be paid by the Town, by means of a "customer advance for construction" in an amount not to exceed \$1,100,000. The facilities will be owned and maintained by the District. The District will invest in those facilities by paying the Town an "investment amount" of \$500 for each revenue producing customer connected directly to this extension during the 10 years it is in service. The total of the "investment amounts" to be paid by the District shall not exceed 50% of the total cost of the main extension. Customers connecting to this main extension will not be required to pay a "customer contribution." Customers within the new service area will be charged the District's filed rates for service.

Under the Agreement the Town acknowledges that it will be required to bear the costs of any water storage structure(s) that may be required if the Town requests further main extensions.

The District is a public utility organized under Chapter 146, Private and Special Laws of 1945 and amendments thereto. It seeks authority pursuant to 35-A M.R.S.A. § 2110 to extend its service in and to the Town of Holden. It also requests approval pursuant to 35-A M.R.S.A. § 703 of the Main Extension and Water Service Agreement. No other utility is now furnishing or proposing to furnish similar service in that area. The Agreement implies that the extension of service to the Town will not impair the quality of service to the customers in the City of Brewer.

The District also requires an exemption from Chapter 65 § 1 (B), Customer Contribution and Chapter 65 § 1(F) Investment Amount. The District and the Town will not require customer contributions to this extension and have agreed that the District will pay an investment amount of \$500, for each revenue producing customer, rather than the amount that would be calculated pursuant to Chapter 65 § 1(F) (approximately \$1,500 per residential customer based upon the District's 1997 annual report). The balance of the Agreement appears to be consistent with Chapter 65.

Based upon our interpretation of the Agreement as discussed above, we find it to be reasonable.

Accordingly, we

#### O R D E R

1. That the Brewer Water District is authorized to extend water service in and to the Town of Holden, Maine;
2. That the Brewer Water District within twenty (20) days hereof shall file with the Secretary of State a certificate exhibiting authorization by this Commission for the extension of its service area in accordance with the provisions of 35-A M.R.S.A. § 2110;
3. That, pursuant to 35-A M.R.S.A. §§ 703 and 2110, the Agreement for Main Extension and Water Supply, between the Brewer Water District and Town of Holden, attached hereto as Exhibit 2, is hereby approved consistent with this Order;

4. That pursuant to Chapter 65 § 6 (E), the Brewer Water District is granted an exemption from Chapter 65 § 1 (F), Investment Amount, to permit the District to use an investment amount of \$500 for each revenue producing customer connecting to the main extension proposed under the Agreement; and
5. That pursuant to Chapter 65 § 6 (E), the Brewer Water District is granted an exemption from Chapter 65 § 1 (B), Customer Contribution, to permit the district to collect no customer contributions to the main extension proposed under the Agreement.

Dated at Augusta, Maine this 11th Day of May 1997.

BY ORDER OF THE COMMISSION

Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Yes ☐ No ☐ Absent ☐ Welch  
Yes ☐ No ☐ Absent ☐ Nugent  
Yes ☐ No ☐ Absent ☐ Diamond

COMMISSIONERS VOTING FOR: Welch  
Nugent  
Diamond

NOTE: STAFF PERSON RESPONSIBLE FOR DOCUMENT, CHECK "YES" OR "NO"  
(See General Counsel if in doubt)

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